

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 370 - HB 861

March 16, 2023

SUMMARY OF BILL: Prohibits a kratom processor from preparing, manufacturing, distributing, or selling, and a kratom retailer from selling or exposing for sale a kratom product that: (1) is adulterated with a dangerous non-kratom substance; (2) is contaminated with a dangerous non-kratom substance; (3) does not list all ingredients on the label; (4) contains levels of residual solvents higher than permitted by relevant United States Pharmacopeia guidelines; (5) contains a level of 7-hydroxymitragynine in the alkaloid fraction that is greater than two percent of the overall alkaloid composition of the product; (6) contains a synthetic alkaloid or synthetically-derived compound of the kratom plant, or; (7) does not provide labeling directions necessary for safe use by consumers.

Creates a Class A misdemeanor offense for a person to knowingly: (1) distribute, sell, or offer for sale, a kratom product or kratom extract to a person under 21 years of age; (2) purchase or possess a kratom product or kratom extract if under 21 years of age; or (3) prepare, manufacture, distribute, or sell a kratom product or kratom extract if the person is not a processor or retailer.

Creates a Class B misdemeanor offense for a processor or retailer to violate the new requirements, punishable only by a fine of \$500 for a first offense, and a Class A misdemeanor punishable only by a fine of \$2,500 for a second or subsequent offense.

FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- Pursuant to Tenn. Code Ann. § 39-17-452(a)(3)(A), it is a Class A misdemeanor offense for a person to knowingly:
 - sell, or offer for sale, Kratom unless labeled and in its natural form;
 - distribute, sell, or offer for sale, Kratom to a person under the age of twenty-one (21) years; or
 - purchase or possess Kratom if under the age of twenty-one (21) years.
- The proposed legislation provides greater specificity to these existing provisions, but does not significantly alter or enhance them. Therefore, passage of this legislation is not estimated to result in a significant number of additional convictions.

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- Any increase in local revenue related to fines or local expenditures related to incarceration are estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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